STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

IN THE MATTER OF: FROST BROKERAGE SERVICES, INC.)	FILE NO. 0400530
)	
)	

SUMMARY ORDER OF DENIAL

TO THE RESPONDENT:

Frost Brokerage Services, Inc.

(B/D #: 17465)

100 W. Houston Street San Antonio, Texas 78299

WHEREAS, on August 3, 2004, Frost Brokerage Services, Inc. (the "Respondent") filed a U-4 application for registration as a dealer in the State of Illinois;

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the Respondent's application for registration as a dealer in the State of Illinois is subject to a Summary Order of Denial;

WHEREAS, the Secretary of State finds that the grounds for such Summary Order of Denial are as follows:

- 1. That the Respondent is a corporation which engages in the business of acting as a dealer in the offer and sale of securities to the general public.
- 2. That from April, 1996 through April, 1997, the Respondent effected an aggregate of ten (10) transactions regarding five (5) accounts held by separate Illinois residents.
- 3. That Section 8.A of the Act provides, in pertinent part, except as otherwise provided, every dealer shall be registered as such with the Secretary of State.
- 4. That the activity described in paragraph two (2) above constitutes the activity of a dealer as defined in Section 2.7 of the Act.

- 5. That during all relevant times, the Respondent was not registered with the Secretary of State as a dealer pursuant to Section 8 of the Act.
- 6. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
- 7. That Section 12.C of the Act provides, *inter alia*, that it is a violation of the provisions of the Act for any person to act as a dealer, unless registered as such where such registration is required under the provisions of the Act.
- 8. That by virtue of the foregoing, the Respondent has committed a violation of Sections 12.A and 12.C of the Act.
- 9. That Section 8.E(1)(g) of the Act provides that the registration of a dealer may be denied if it has violated any of the provisions of the Act.
- 10. That by virtue of the foregoing, the Respondent's registration as a dealer in the State of Illinois is subject to denial pursuant to Section 8.E(1)(g) of the Act.

NOW IT IS HEREBY ORDERED THAT:

The Respondent's application for registration as a dealer in the State of Illinois is DENIED, subject to the further Order of the Secretary of State.

A public hearing will be set within thirty (30) days of the Respondent's filing a written request for hearing with the Secretary of State at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Said hearing will be held at the aforesaid address before a Hearing Officer duly designated by the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Order.

YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS ORDER SHALL CONSTITUTES AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.

Summary Order of Denial

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You are further notified if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

ENTERED: This 3 day of November 2004.

JESSE WHITE
Secretary of State
State of Illinois

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